

Staff Presentation on Potential Impact of 2005 Real Estate Assessments on Real Estate Tax Bills

February 22, 2005

Revised



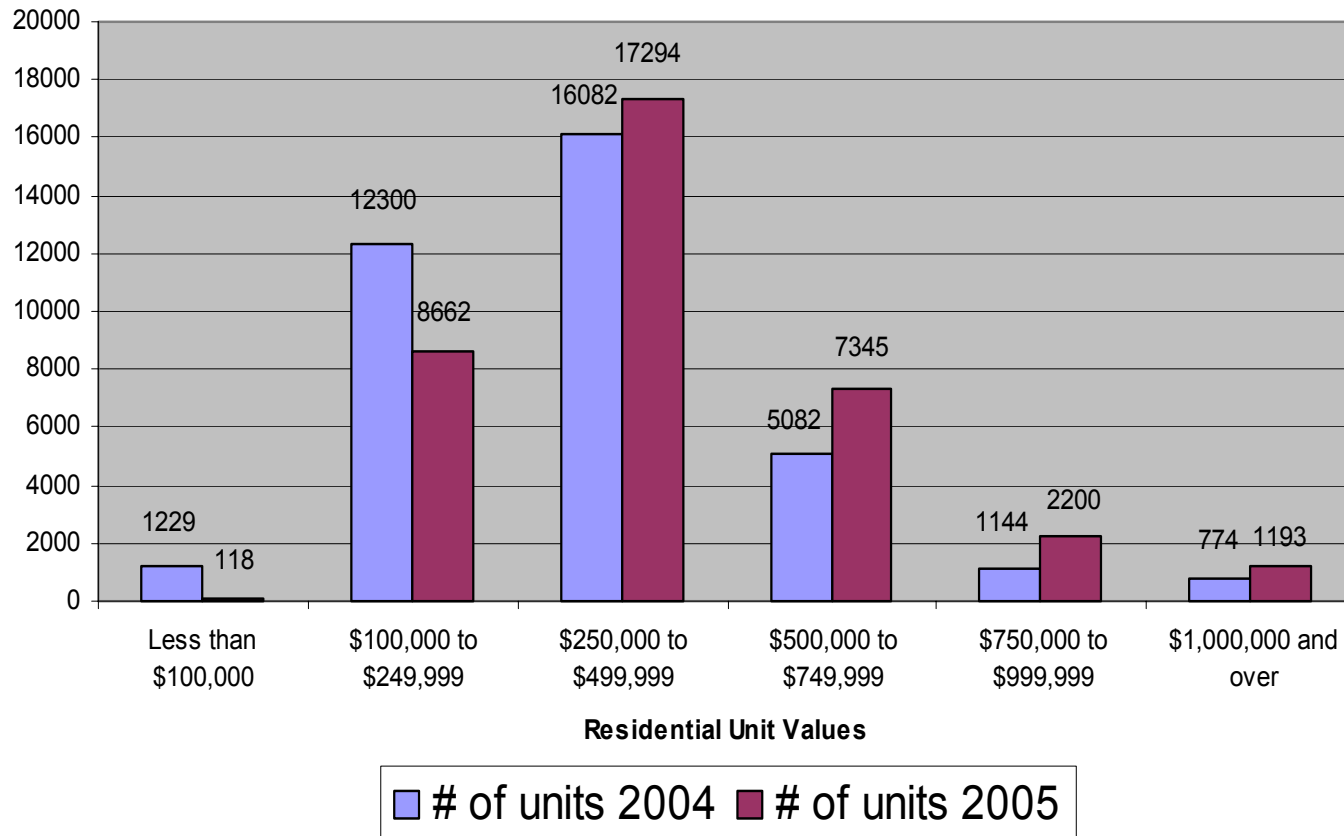
CY 2005 Assessments

- Overall increase in real estate tax base
= 21.2%
- 85% due to reassessments (appreciation)
- 15% due to growth (new construction)
- Residential tax base up 22.9%
- Commercial tax base up 20.4%

CY 2005 Assessments

- Average Residential up 21.3%
- Average Single Family up 18.6%
- Average Condominium up 28.8%
- Average High Rise Condominium up 32.6%
- Average General Commercial Property up 17.2%

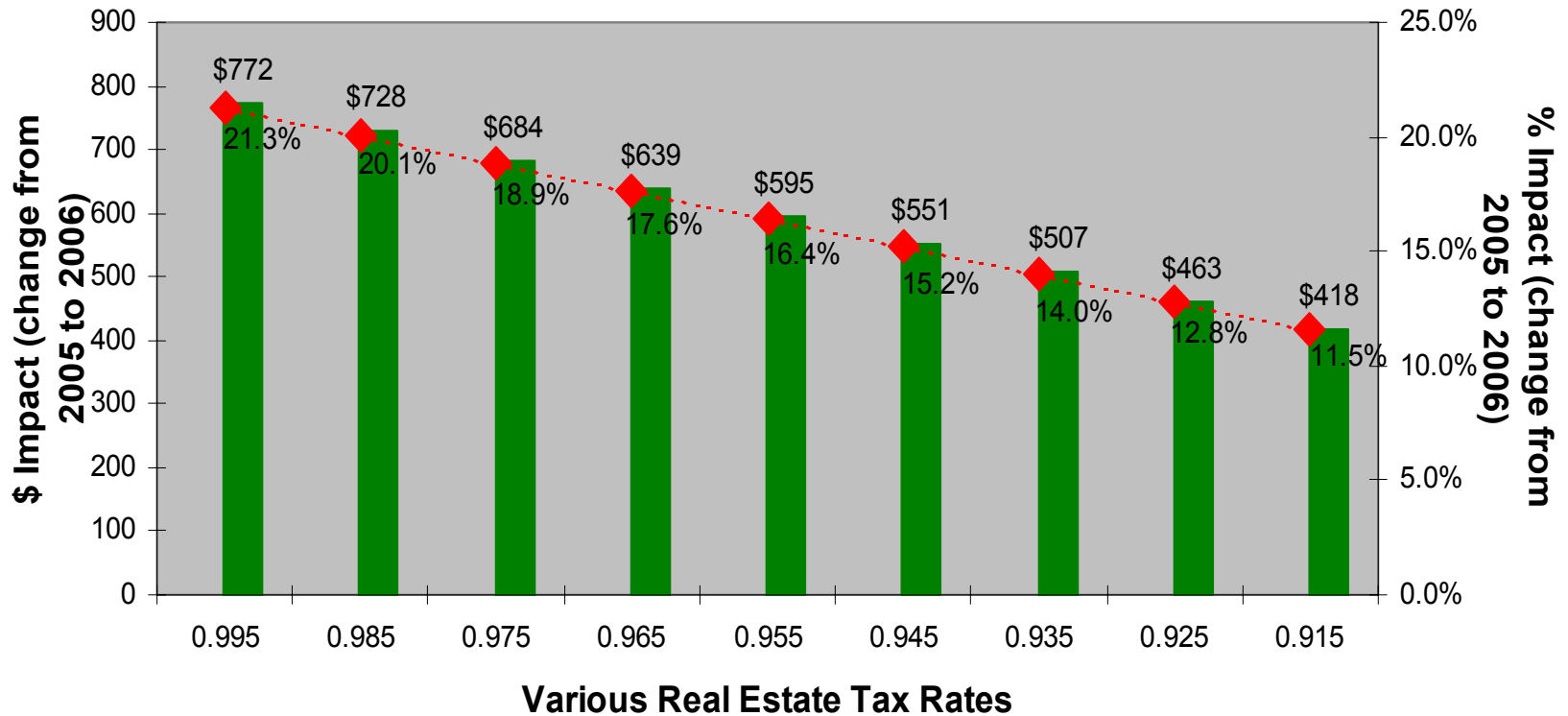
Number of Residential Units by Value – 2004 and 2005



Average Residential Single Family and Condominium Approx. \$441,823



Impact of Different Real Estate Tax Rates on Tax Bills for Average Residential Property

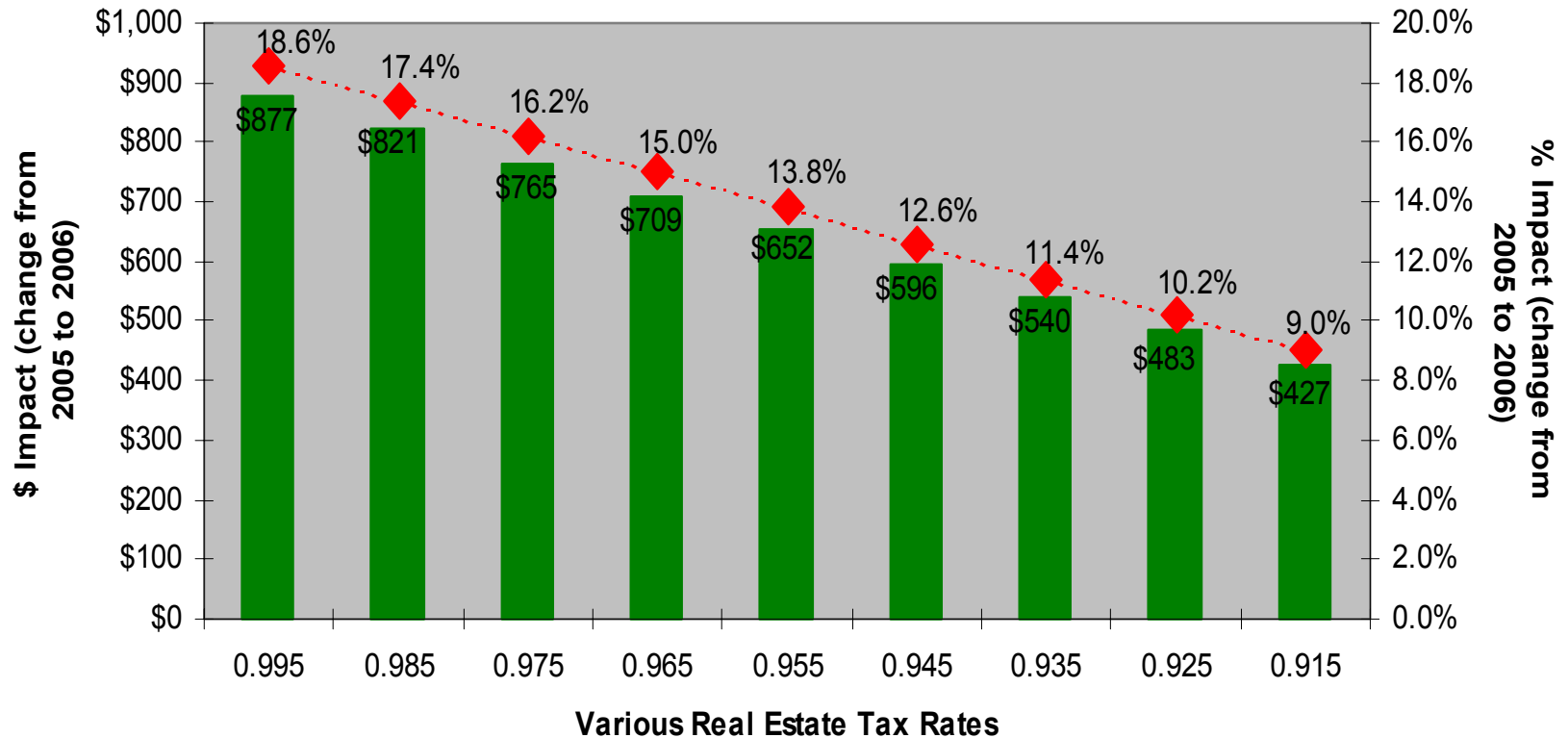


Average Single Family Residence

Approx. \$563,092



Impact of Different Real Estate Tax Rates on Tax Bills for Average Single Family Residence

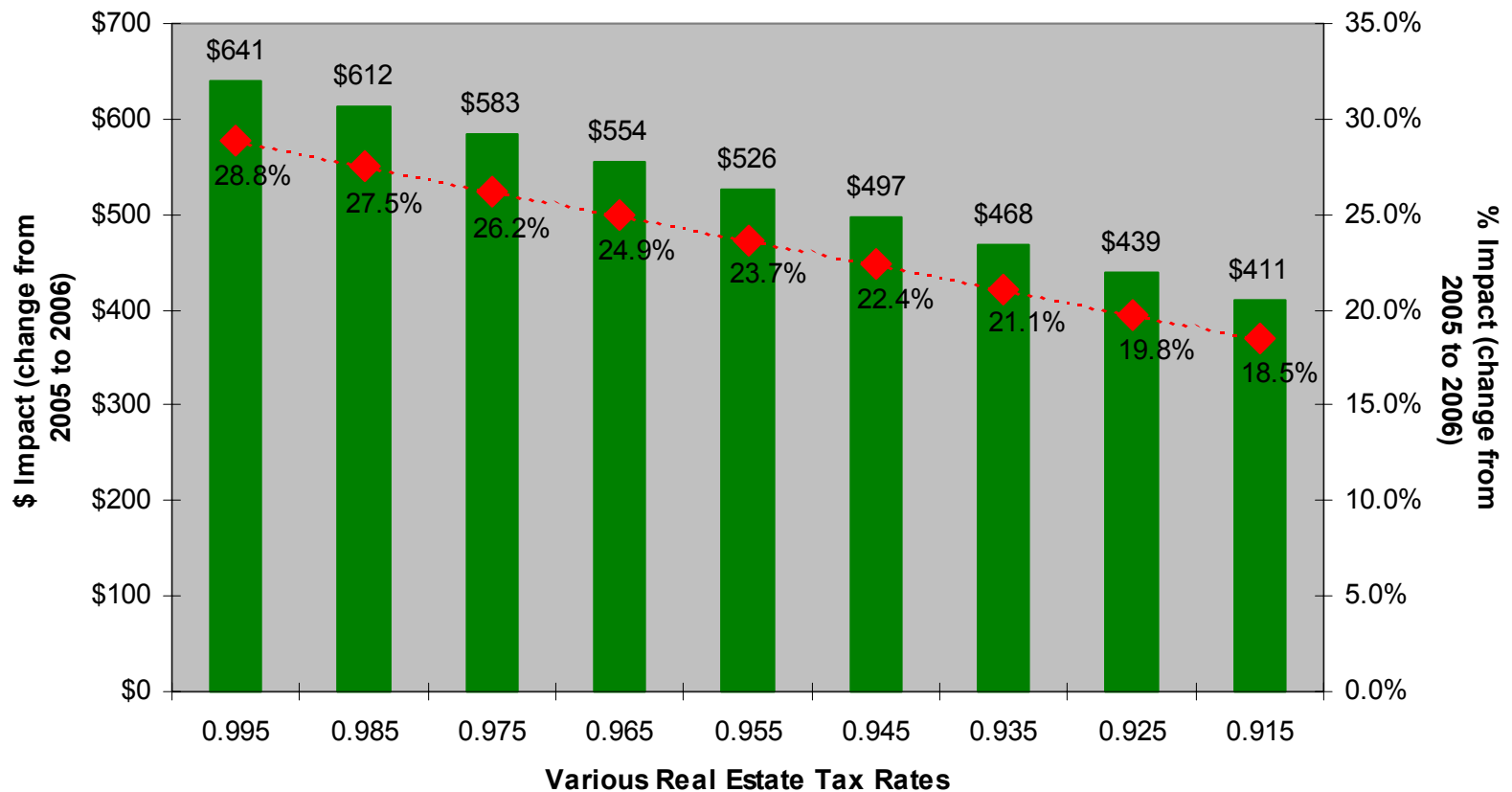


Average Condominium

Approx. \$287,765



Impact of Different Real Estate Tax Rates on Tax Bills for Average Condominium Residence

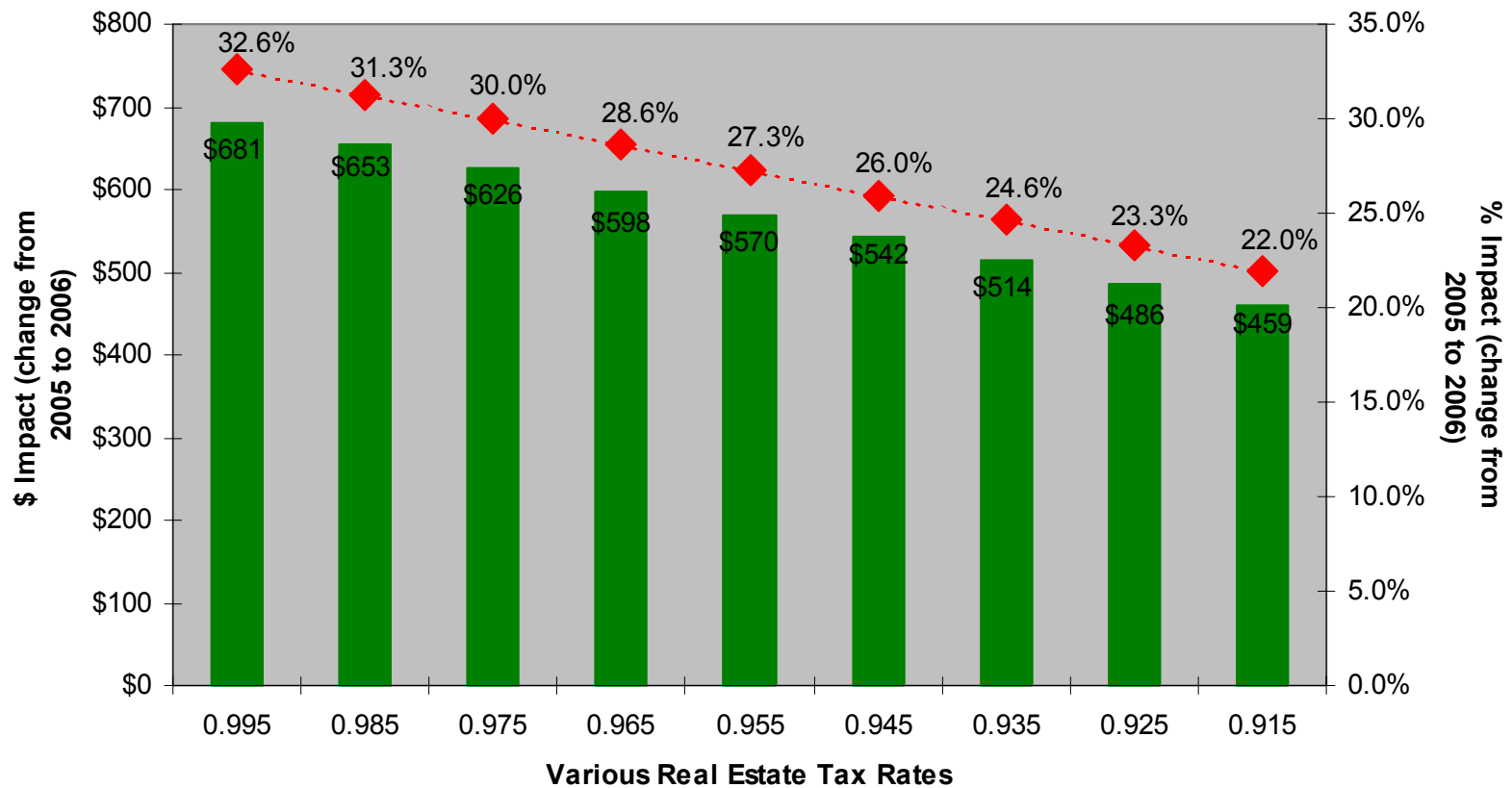


Average High Rise Condominium

Approx. \$278,296



Impact of Different Real Estate Tax Rates on Tax Bills for *Average High Rise Condominium Residence*

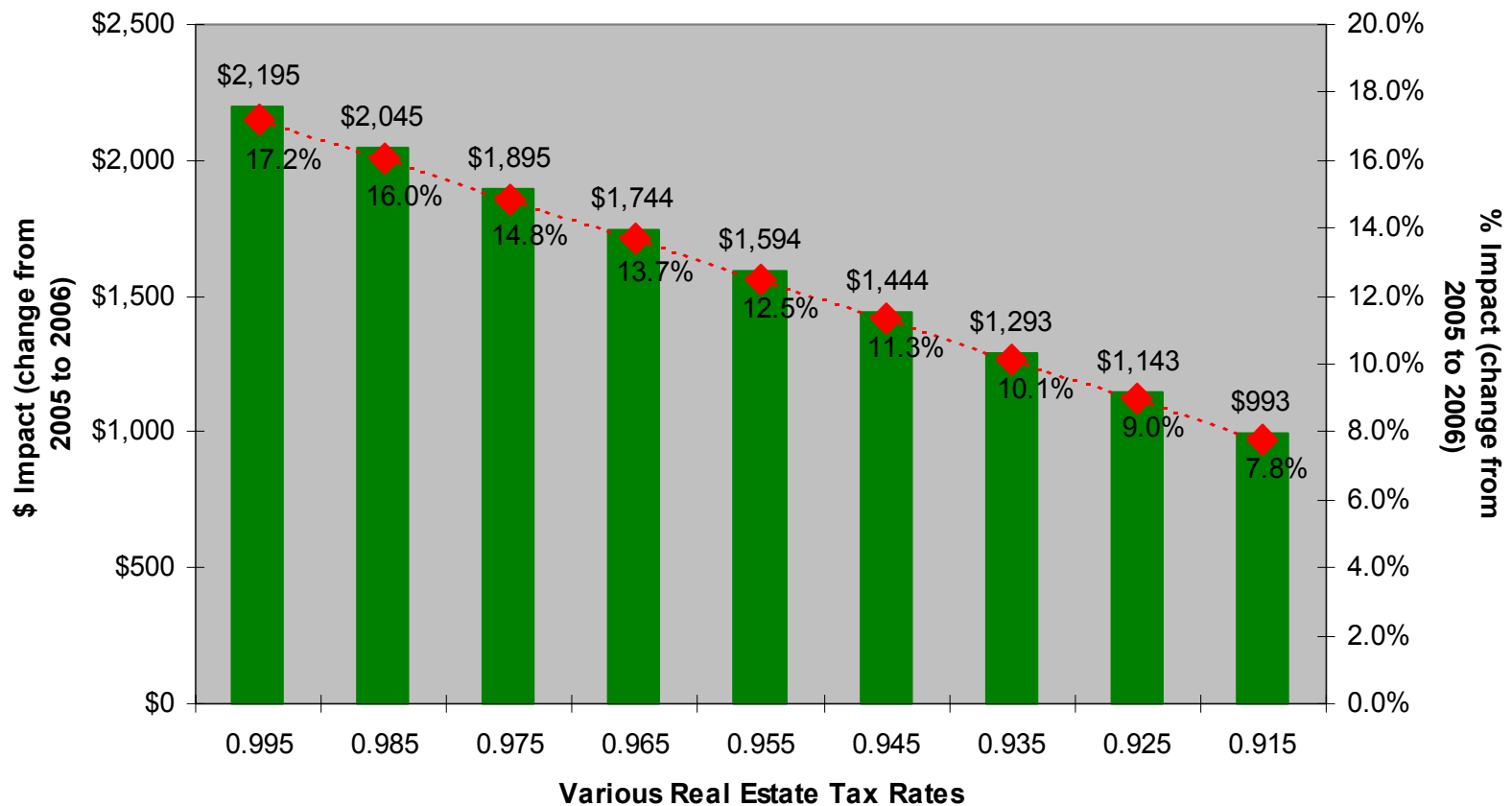


Average General Commercial

Approx. \$1,503,478



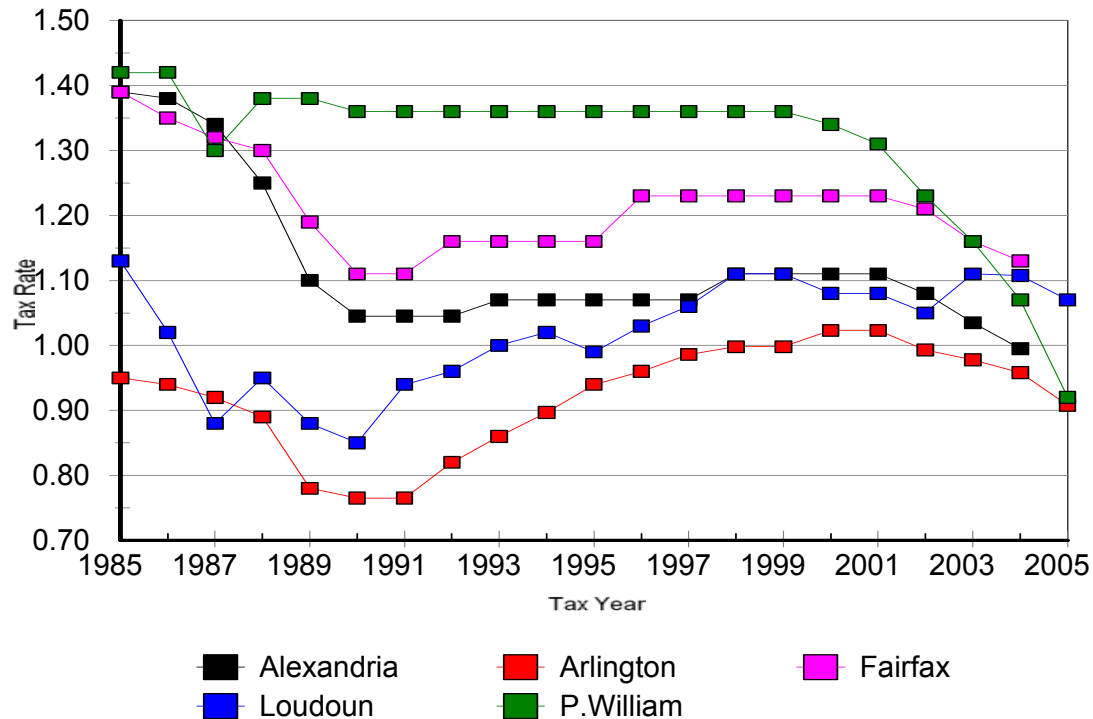
Impact of Different Real Estate Tax Rates on Tax Bills for *Average General Commercial Property*



Real Estate Tax Relief Options

- Tax Rate Reduction
- New Monthly Payment Option
- Senior and Disabled Tax Relief
- Affordable Home Ownership Program (AHOP)
- Tax Deferral

History of Real Estate Tax Rates in Alexandria and Neighboring Jurisdictions



Fiscal Impact of Tax Rate Reductions

Rate Reduction Options	FY 2005 Rev. Impact	FY 2006 Rev. Impact	Total Revenue Impact
1 cent	\$1.34 M	\$2.76 M	\$4.10 M
2 cents	\$2.68 M	\$5.52 M	\$8.20 M
3 cents	\$4.02 M	\$8.28 M	\$12.30 M
4 cents	\$5.36 M	\$11.04 M	\$16.50 M
5 cents	\$6.70 M	\$13.80 M	\$20.50 M
6 cents	\$8.05 M	\$16.56 M	\$24.61 M
7 cents	\$9.39 M	\$19.32 M	\$28.71 M
8 cents	\$10.73 M	\$22.08 M	\$32.81 M

New Monthly Payment Option

- Electronic Debit
- No cost
- Monthly or semi-annual payments
- www.alexandriava.gov/finance

Senior and Disabled Tax Relief

Criteria	Current	State Ceiling
Income Cap	\$62,000	\$72,000
Net Worth	\$240,000	\$340,000
Relatives Deduction	\$8,500	\$10,000

Senior and Disabled Tax Relief (cont.)

- Exemptions
 - 100% relief below \$40,000
 - 50% relief between \$40,000 and \$50,000
 - 25% relief between \$50,000 and \$62,000
 - Deferral of any remaining amount below \$62,000

Affordable Home Ownership Program (AHOP)

- New Innovation in 2004
- Income cap = \$62,000
- Net Worth = \$240,000
- Assessment Cap = \$362,000
- Grant = flat \$250 grant on tax bill
- Upward revision in 2005 planned

Tax Deferral

- Considered in 2003
- Amounts over 105% of tax bill can be deferred
- Age, income or other criteria could be established
- Compounds annually
- Interest rate variable
- Complex to administer

Tax Policy Setting Process starts on March 8

- Real estate rate recommendation
- Senior and Disabled/AHOP/Deferral recommendations planned
- Other non-property tax policy options could be considered